



JOSEPH R. BIDEN, III
ATTORNEY GENERAL

DEPARTMENT OF JUSTICE
820 NORTH FRENCH STREET
WILMINGTON, DELAWARE 19801

CONTACT JASON MILLER
PUBLIC INFORMATION OFFICER
PHONE (302) 577-8949
CELL (302) 893-8939
Jason.Miller@state.de.us

Media Release

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Attorney General's Office sues travel companies for deceptive marketing

Defrauded consumers urged to file a complaint with office by end of January

Wilmington – The Delaware Attorney General's Office announced today that it is moving forward with lawsuits against two travel companies that allegedly defrauded dozens of Delawareans. According to complaints from consumers, Serenity Travel and Destination Vacation International failed to provide promised discounts and incentives to consumers who joined their travel clubs, and failed to pay refunds to consumers and change their business practices under a binding May 2010 agreement with the office.

"Delawareans deserve to be treated with fairness by the companies they do business with," said Timothy Mullaney, Sr., Director of the Attorney General's Fraud and Consumer Protection Division. "We're taking action in court to ensure that customers receive the refunds they deserve and to protect all consumers from deceptive and misleading marketing practices."

The Attorney General's Office received more than 70 consumer complaints between June 2009 and May 2010 alleging the travel companies offered discounts on cruises, lodging and other travel products if they attended the companies' marketing presentations, but then either failed to provide promised incentives or required customers to pay previously undisclosed fees. Customers also complained they were pressured to pay to join the travel clubs before they could research the companies, were not provided price quotes at marketing presentations, and that the companies opened credit cards in their names without permission. Serenity, customers said, claimed to have a strong rating from the Better Business Bureau when, in fact, the company had lost its accreditation. Customers also complained of difficulty acquiring the services the clubs advertised.

In May, 2010 the companies agreed to reimburse within 30 days the consumers who had filed complaints for the fees they paid to join their travel club. The companies also agreed to provide additional customers with discounts that were promised but never delivered, change their marketing practices by clearly disclosing all of the terms and conditions for receiving incentives through written promotions, oral presentations, and the companies' websites, provide fixed pricing; and make only truthful statements regarding their Better Business Bureau status.

After the companies failed to provide the promised refunds to a number of consumers, the Attorney General's Office filed a lawsuit against the companies in August, 2010 seeking customer refunds they had not yet paid along with additional penalties for violating the Delaware Consumer Protection Act. Moreover, since the May, 2010 settlement agreement, additional consumers have complained that Serenity has failed to change its marketing practices, as required, by continuing to:

- advertise "gifts" and free travel incentives that were never provided and in fact carried fees
- engage in high pressure sales techniques such as substantial "one day only" price drops
- misrepresent their accreditation with the Better Business Bureau
- opened credit cards without the consumers' full knowledge and consent, and
- fail to fulfill the type and price of travel available to Serenity members

Ongoing attempts to secure the unpaid refunds have failed and the Department will be moving forward with this lawsuit as well as a new lawsuit alleging continued deceptive trade practices, including purporting to buy consumers' timeshares in exchange for the consumer joining Serenity's club, requiring additional fees to transfer the timeshare, and using major travel brands on advertising and marketing when Serenity was not in fact affiliated with those brands.

The Attorney General's Office urges consumers who have been harmed by deceptive marketing and sales practices of these travel companies to file a Consumer Complaint with the Consumer Protection Unit by January 30, 2011. That complaint form can be obtained by visiting www.attorneygeneral.delaware.gov or calling the Consumer Hotline at 800-220-5424.

Read the May 14, 2010 media release announcing the original settlement with the travel companies online at <http://attorneygeneral.delaware.gov/media/releases/2010/fraudinv.pdf>.

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